

P.L. 2005, CHAPTER 249, *approved December 21, 2005*
Assembly, No. 4583 (*First Reprint*)

1 **AN ACT** concerning the redirection of payroll taxes from the
2 unemployment compensation fund to the Health Care Subsidy Fund
3 and the extension of certain unemployment compensation benefits
4 and amending R.S.43:21-7 and P.L.1970, c.324.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. R.S.43:21-7 is amended to read as follows:

10 43:21-7. Contributions. Employers other than governmental
11 entities, whose benefit financing provisions are set forth in section 4
12 of P.L.1971, c.346 (C.43:21-7.3), and those nonprofit organizations
13 liable for payment in lieu of contributions on the basis set forth in
14 section 3 of P.L.1971, c.346 (C.43:21-7.2), shall pay to the controller
15 for the unemployment compensation fund, contributions as set forth
16 in subsections (a), (b) and (c) hereof, and the provisions of subsections
17 (d) and (e) shall be applicable to all employers, consistent with the
18 provisions of the "unemployment compensation law" and the
19 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
20 seq.).

21 (a) Payment.

22 (1) Contributions shall accrue and become payable by each
23 employer for each calendar year in which he is subject to this chapter
24 (R.S.43:21-1 et seq.), with respect to having individuals in his employ
25 during that calendar year, at the rates and on the basis hereinafter set
26 forth. Such contributions shall become due and be paid by each
27 employer to the controller for the fund, in accordance with such
28 regulations as may be prescribed, and shall not be deducted, in whole
29 or in part, from the remuneration of individuals in his employ.

30 (2) In the payment of any contributions, a fractional part of a cent
31 shall be disregarded unless it amounts to \$0.005 or more, in which
32 case it shall be increased to \$0.01.

33 (b) Rate of contributions. Each employer shall pay the following
34 contributions:

35 (1) For the calendar year 1947, and each calendar year thereafter,
36 2 7/10% of wages paid by him during each such calendar year, except
37 as otherwise prescribed by subsection (c) of this section.

38 (2) The "wages" of any individual, with respect to any one
39 employer, as the term is used in this subsection (b) and in subsections
40 (c), (d) and (e) of this section 7, shall include the first \$4,800.00 paid

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAP committee amendments adopted December 8, 2005.

1 during calendar year 1975, for services performed either within or
2 without this State; provided that no contribution shall be required by
3 this State with respect to services performed in another state if such
4 other state imposes contribution liability with respect thereto. If an
5 employer (hereinafter referred to as a successor employer) during any
6 calendar year acquires substantially all the property used in a trade or
7 business of another employer (hereinafter referred to as a
8 predecessor), or used in a separate unit of a trade or business of a
9 predecessor, and immediately after the acquisition employs in his trade
10 or business an individual who immediately prior to the acquisition was
11 employed in the trade or business of such predecessors, then, for the
12 purpose of determining whether the successor employer has paid
13 wages with respect to employment equal to the first \$4,800.00 paid
14 during calendar year 1975, any wages paid to such individual by such
15 predecessor during such calendar year and prior to such acquisition
16 shall be considered as having been paid by such successor employer.

17 (3) For calendar years beginning on and after January 1, 1976, the
18 "wages" of any individual, as defined in the preceding paragraph (2)
19 of this subsection (b), shall be established and promulgated by the
20 Commissioner of Labor and Workforce Development on or before
21 September 1 of the preceding year and shall be, 28 times the Statewide
22 average weekly remuneration paid to workers by employers, as
23 determined under R.S.43:21-3(c), raised to the next higher multiple of
24 \$100.00 if not already a multiple thereof, provided that if the amount
25 of wages so determined for a calendar year is less than the amount
26 similarly determined for the preceding year, the greater amount will be
27 used; provided, further, that if the amount of such wages so
28 determined does not equal or exceed the amount of wages as defined
29 in subsection (b) of section 3306 of the Federal Unemployment Tax
30 Act, Chapter 23 of the Internal Revenue Code of 1986 (26 U.S.C.
31 s.3306(b)), the wages as determined in this paragraph in any calendar
32 year shall be raised to equal the amount established under the Federal
33 Unemployment Tax Act for that calendar year.

34 (c) Future rates based on benefit experience.

35 (1) A separate account for each employer shall be maintained and
36 this shall be credited with all the contributions which he has paid on
37 his own behalf on or before January 31 of any calendar year with
38 respect to employment occurring in the preceding calendar year;
39 provided, however, that if January 31 of any calendar year falls on a
40 Saturday or Sunday, an employer's account shall be credited as of
41 January 31 of such calendar year with all the contributions which he
42 has paid on or before the next succeeding day which is not a Saturday
43 or Sunday. But nothing in this chapter (R.S.43:21-1 et seq.) shall be
44 construed to grant any employer or individuals in his service prior
45 claims or rights to the amounts paid by him into the fund either on his
46 own behalf or on behalf of such individuals. Benefits paid with respect

1 to benefit years commencing on and after January 1, 1953, to any
2 individual on or before December 31 of any calendar year with respect
3 to unemployment in such calendar year and in preceding calendar years
4 shall be charged against the account or accounts of the employer or
5 employers in whose employment such individual established base
6 weeks constituting the basis of such benefits, except that, with respect
7 to benefit years commencing after January 4, 1998, an employer's
8 account shall not be charged for benefits paid to a claimant if the
9 claimant's employment by that employer was ended in any way which,
10 pursuant to subsection (a), (b), (c), (f), (g) or (h) of R.S.43:21-5,
11 would have disqualified the claimant for benefits if the claimant had
12 applied for benefits at the time when that employment ended. Benefits
13 paid under a given benefit determination shall be charged against the
14 account of the employer to whom such determination relates. When
15 each benefit payment is made, either a copy of the benefit check or
16 other form of notification shall be promptly sent to the employer
17 against whose account the benefits are to be charged. Such copy or
18 notification shall identify the employer against whose account the
19 amount of such payment is being charged, shall show at least the name
20 and social security account number of the claimant and shall specify
21 the period of unemployment to which said check applies. If the total
22 amount of benefits paid to a claimant and charged to the account of
23 the appropriate employer exceeds 50% of the total base year, base
24 week wages paid to the claimant by that employer, then such employer
25 shall have canceled from his account such excess benefit charges as
26 specified above.

27 Each employer shall be furnished an annual summary statement of
28 benefits charged to his account.

29 (2) Regulations may be prescribed for the establishment,
30 maintenance, and dissolution of joint accounts by two or more
31 employers, and shall, in accordance with such regulations and upon
32 application by two or more employers to establish such an account, or
33 to merge their several individual accounts in a joint account, maintain
34 such joint account as if it constituted a single employer's account.

35 (3) No employer's rate shall be lower than 5.4% unless assignment
36 of such lower rate is consistent with the conditions applicable to
37 additional credit allowance for such year under section 3303(a)(1) of
38 the Internal Revenue Code of 1986 (26 U.S.C. s.3303(a)(1)), any
39 other provision of this section to the contrary notwithstanding.

40 (4) Employer Reserve Ratio. (A) Each employer's rate shall be 2
41 8/10%, except as otherwise provided in the following provisions. No
42 employer's rate for the 12 months commencing July 1 of any calendar
43 year shall be other than 2 8/10%, unless as of the preceding January 31
44 such employer shall have paid contributions with respect to wages paid
45 in each of the three calendar years immediately preceding such year,
46 in which case such employer's rate for the 12 months commencing July

1 1 of any calendar year shall be determined on the basis of his record up
2 to the beginning of such calendar year. If, at the beginning of such
3 calendar year, the total of all his contributions, paid on his own behalf,
4 for all past years exceeds the total benefits charged to his account for
5 all such years, his contribution rate shall be:

6 (1) $2\frac{5}{10}\%$, if such excess equals or exceeds 4%, but less than
7 5%, of his average annual payroll (as defined in paragraph (2),
8 subsection (a) of R.S.43:21-19);

9 (2) $2\frac{2}{10}\%$, if such excess equals or exceeds 5%, but is less than
10 6%, of his average annual payroll;

11 (3) $1\frac{9}{10}\%$, if such excess equals or exceeds 6%, but is less than
12 7%, of his average annual payroll;

13 (4) $1\frac{6}{10}\%$, if such excess equals or exceeds 7%, but is less than
14 8%, of his average annual payroll;

15 (5) $1\frac{3}{10}\%$, if such excess equals or exceeds 8%, but is less than
16 9%, of his average annual payroll;

17 (6) 1%, if such excess equals or exceeds 9%, but is less than 10%,
18 of his average annual payroll;

19 (7) $\frac{7}{10}$ of 1%, if such excess equals or exceeds 10%, but is less
20 than 11%, of his average annual payroll;

21 (8) $\frac{4}{10}$ of 1%, if such excess equals or exceeds 11% of his
22 average annual payroll.

23 (B) If the total of an employer's contributions, paid on his own
24 behalf, for all past periods for the purposes of this paragraph (4), is
25 less than the total benefits charged against his account during the same
26 period, his rate shall be:

27 (1) 4%, if such excess is less than 10% of his average annual
28 payroll;

29 (2) $4\frac{3}{10}\%$, if such excess equals or exceeds 10%, but is less than
30 20%, of his average annual payroll;

31 (3) $4\frac{6}{10}\%$, if such excess equals or exceeds 20% of his average
32 annual payroll.

33 (C) Specially assigned rates. If no contributions were paid on
34 wages for employment in any calendar year used in determining the
35 average annual payroll of an employer eligible for an assigned rate
36 under this paragraph (4), the employer's rate shall be specially assigned
37 as follows:

38 (i) if the reserve balance in its account is positive, its assigned rate
39 shall be the highest rate in effect for positive balance accounts for that
40 period, or 5.4%, whichever is higher, and (ii) if the reserve balance in
41 its account is negative, its assigned rate shall be the highest rate in
42 effect for deficit accounts for that period.

43 (D) The contribution rates prescribed by subparagraphs (A) and (B)
44 of this paragraph (4) shall be increased or decreased in accordance
45 with the provisions of paragraph (5) of this subsection (c) for
46 experience rating periods through June 30, 1986.

1 (5) (A) Unemployment Trust Fund Reserve Ratio. If on March 31
2 of any calendar year the balance in the unemployment trust fund equals
3 or exceeds 4% but is less than 7% of the total taxable wages reported
4 to the controller as of that date in respect to employment during the
5 preceding calendar year, the contribution rate, effective July 1
6 following, of each employer eligible for a contribution rate calculation
7 based upon benefit experience, shall be increased by 3/10 of 1% over
8 the contribution rate otherwise established under the provisions of
9 paragraph (3) or (4) of this subsection. If on March 31 of any
10 calendar year the balance of the unemployment trust fund exceeds 2
11 1/2% but is less than 4% of the total taxable wages reported to the
12 controller as of that date in respect to employment during the
13 preceding calendar year, the contribution rate, effective July 1
14 following, of each employer eligible for a contribution rate calculation
15 based upon benefit experience, shall be increased by 6/10 of 1% over
16 the contribution rate otherwise established under the provisions of
17 paragraph (3) or (4) of this subsection.

18 If on March 31 of any calendar year the balance of the
19 unemployment trust fund is less than 2 1/2% of the total taxable wages
20 reported to the controller as of that date in respect to employment
21 during the preceding calendar year, the contribution rate, effective July
22 1 following, of each employer (1) eligible for a contribution rate
23 calculation based upon benefit experience, shall be increased by (i)
24 6/10 of 1% over the contribution rate otherwise established under the
25 provisions of paragraph (3), (4)(A) or (4)(B) of this subsection, and
26 (ii) an additional amount equal to 20% of the total rate established
27 herein, provided, however, that the final contribution rate for each
28 employer shall be computed to the nearest multiple of 1/10% if not
29 already a multiple thereof; (2) not eligible for a contribution rate
30 calculation based upon benefit experience, shall be increased by 6/10
31 of 1% over the contribution rate otherwise established under the
32 provisions of paragraph (4) of this subsection. For the period
33 commencing July 1, 1984 and ending June 30, 1986, the contribution
34 rate for each employer liable to pay contributions under R.S.43:21-7
35 shall be increased by a factor of 10% computed to the nearest multiple
36 of 1/10% if not already a multiple thereof.

37 (B) If on March 31 of any calendar year the balance in the
38 unemployment trust fund equals or exceeds 10% but is less than 12
39 1/2% of the total taxable wages reported to the controller as of that
40 date in respect to employment during the preceding calendar year, the
41 contribution rate, effective July 1 following, of each employer eligible
42 for a contribution rate calculation based upon benefit experience, shall
43 be reduced by 3/10 of 1% under the contribution rate otherwise
44 established under the provisions of paragraphs (3) and (4) of this
45 subsection; provided that in no event shall the contribution rate of any
46 employer be reduced to less than 4/10 of 1%. If on March 31 of any

1 calendar year the balance in the unemployment trust fund equals or
2 exceeds 12 1/2% of the total taxable wages reported to the controller
3 as of that date in respect to employment during the preceding calendar
4 year, the contribution rate, effective July 1 following, of each
5 employer eligible for a contribution rate calculation based upon benefit
6 experience, shall be reduced by 6/10 of 1% if his account for all past
7 periods reflects an excess of contributions paid over total benefits
8 charged of 3% or more of his average annual payroll, otherwise by
9 3/10 of 1% under the contribution rate otherwise established under the
10 provisions of paragraphs (3) and (4) of this subsection; provided that
11 in no event shall the contribution rate of any employer be reduced to
12 less than 4/10 of 1%.

13 (C) The "balance" in the unemployment trust fund, as the term is
14 used in subparagraphs (A) and (B) above, shall not include moneys
15 credited to the State's account under section 903 of the Social Security
16 Act, as amended (42 U.S.C.s.1103), during any period in which such
17 moneys are appropriated for the payment of expenses incurred in the
18 administration of the "unemployment compensation law."

19 (D) Prior to July 1 of each calendar year the controller shall
20 determine the Unemployment Trust Reserve Ratio, which shall be
21 calculated by dividing the balance of the unemployment trust fund as
22 of the prior March 31 by total taxable wages reported to the controller
23 by all employers as of March 31 with respect to their employment
24 during the last calendar year.

25 (E) (i) (Deleted by amendment, P.L.1997, c.263).

26 (ii) (Deleted by amendment, P.L.2001, c.152).

27 (iii) (Deleted by amendment, P.L.2003, c.107).

28 (iv) (Deleted by amendment, P.L.2004, c.45).

29 (v) With respect to the experience rating year beginning on July 1,
30 2003, the new employer rate or the unemployment experience rate of
31 an employer under this section shall be the rate which appears in the
32 column headed by the Unemployment Trust Fund Reserve Ratio as of
33 the applicable calculation date and on the line with the Employer
34 Reserve Ratio, as defined in paragraph 4 of this subsection
35 (R.S.43:21-7 (c)(4)), as set forth in the following table:

36

37 EXPERIENCE RATING TAX TABLE

38 Fund Reserve Ratio¹

39

40	2.50%	2.00%	1.50%	1.00%	0.99%
41 Employer	and	to	to	to	and
42 Reserve	Over	2.49%	1.99%	1.49%	Under
43 Ratio ²	A	B	C	D	E
44 Positive Reserve Ratio:					
45 17% and over	0.3	0.4	0.5	0.6	1.2
46 16.00% to 16.99%	0.4	0.5	0.6	0.6	1.2

1	15.00% to 15.99%	0.4	0.6	0.7	0.7	1.2
2	14.00% to 14.99%	0.5	0.6	0.7	0.8	1.2
3	13.00% to 13.99%	0.6	0.7	0.8	0.9	1.2
4	12.00% to 12.99%	0.6	0.8	0.9	1.0	1.2
5	11.00% to 11.99%	0.7	0.8	1.0	1.1	1.2
6	10.00% to 10.99%	0.9	1.1	1.3	1.5	1.6
7	9.00% to 9.99%	1.0	1.3	1.6	1.7	1.9
8	8.00% to 8.99%	1.3	1.6	1.9	2.1	2.3
9	7.00% to 7.99%	1.4	1.8	2.2	2.4	2.6
10	6.00% to 6.99%	1.7	2.1	2.5	2.8	3.0
11	5.00% to 5.99%	1.9	2.4	2.8	3.1	3.4
12	4.00% to 4.99%	2.0	2.6	3.1	3.4	3.7
13	3.00% to 3.99%	2.1	2.7	3.2	3.6	3.9
14	2.00% to 2.99%	2.2	2.8	3.3	3.7	4.0
15	1.00% to 1.99%	2.3	2.9	3.4	3.8	4.1
16	0.00% to 0.99%	2.4	3.0	3.6	4.0	4.3
17	Deficit Reserve Ratio:					
18	-0.00% to -2.99%	3.4	4.3	5.1	5.6	6.1
19	-3.00% to -5.99%	3.4	4.3	5.1	5.7	6.2
20	-6.00% to -8.99%	3.5	4.4	5.2	5.8	6.3
21	-9.00% to -11.99%	3.5	4.5	5.3	5.9	6.4
22	-12.00% to -14.99%	3.6	4.6	5.4	6.0	6.5
23	-15.00% to -19.99%	3.6	4.6	5.5	6.1	6.6
24	-20.00% to -24.99%	3.7	4.7	5.6	6.2	6.7
25	-25.00% to -29.99%	3.7	4.8	5.6	6.3	6.8
26	-30.00% to -34.99%	3.8	4.8	5.7	6.3	6.9
27	-35.00% and under	5.4	5.4	5.8	6.4	7.0
28	New Employer Rate	2.8	2.8	2.8	3.1	3.4

29 ¹ Fund balance as of March 31 as a percentage of taxable wages in
30 the prior calendar year.

31 ² Employer Reserve Ratio (Contributions minus benefits as a
32 percentage of employer's taxable wages).

33
34 (vi) With respect to experience rating years beginning on or after
35 July 1, 2004, the new employer rate or the unemployment experience
36 rate of an employer under this section shall be the rate which appears
37 in the column headed by the Unemployment Trust Fund Reserve Ratio
38 as of the applicable calculation date and on the line with the Employer
39 Reserve Ratio, as defined in paragraph 4 of this subsection
40 (R.S.43:21-7 (c)(4)), as set forth in the following table:

1	EXPERIENCE RATING TAX TABLE				
2	Fund Reserve Ratio ¹				
3					
4		1.40%	1.00%	0.75%	0.50% 0.49%
5	Employer	and	to	to	to and
6	Reserve	Over	1.39%	0.99%	0.74% Under
7	Ratio ²	A	B	C	D E
8	Positive Reserve Ratio:				
9	17% and over	0.3	0.4	0.5	0.6 1.2
10	16.00% to 16.99%	0.4	0.5	0.6	0.6 1.2
11	15.00% to 15.99%	0.4	0.6	0.7	0.7 1.2
12	14.00% to 14.99%	0.5	0.6	0.7	0.8 1.2
13	13.00% to 13.99%	0.6	0.7	0.8	0.9 1.2
14	12.00% to 12.99%	0.6	0.8	0.9	1.0 1.2
15	11.00% to 11.99%	0.7	0.8	1.0	1.1 1.2
16	10.00% to 10.99%	0.9	1.1	1.3	1.5 1.6
17	9.00% to 9.99%	1.0	1.3	1.6	1.7 1.9
18	8.00% to 8.99%	1.3	1.6	1.9	2.1 2.3
19	7.00% to 7.99%	1.4	1.8	2.2	2.4 2.6
20	6.00% to 6.99%	1.7	2.1	2.5	2.8 3.0
21	5.00% to 5.99%	1.9	2.4	2.8	3.1 3.4
22	4.00% to 4.99%	2.0	2.6	3.1	3.4 3.7
23	3.00% to 3.99%	2.1	2.7	3.2	3.6 3.9
24	2.00% to 2.99%	2.2	2.8	3.3	3.7 4.0
25	1.00% to 1.99%	2.3	2.9	3.4	3.8 4.1
26	0.00% to 0.99%	2.4	3.0	3.6	4.0 4.3
27	Deficit Reserve Ratio:				
28	-0.00% to -2.99%	3.4	4.3	5.1	5.6 6.1
29	-3.00% to -5.99%	3.4	4.3	5.1	5.7 6.2
30	-6.00% to -8.99%	3.5	4.4	5.2	5.8 6.3
31	-9.00% to-11.99%	3.5	4.5	5.3	5.9 6.4
32	-12.00%to-14.99%	3.6	4.6	5.4	6.0 6.5
33	-15.00%to-19.99%	3.6	4.6	5.5	6.1 6.6
34	-20.00%to-24.99%	3.7	4.7	5.6	6.2 6.7
35	-25.00%to-29.99%	3.7	4.8	5.6	6.3 6.8
36	-30.00%to-34.99%	3.8	4.8	5.7	6.3 6.9
37	-35.00% and under	5.4	5.4	5.8	6.4 7.0
38	New Employer Rate	2.8	2.8	2.8	3.1 3.4
39	¹ Fund balance as of March 31 as a percentage of taxable wages in				
40	the prior calendar year.				
41	² Employer Reserve Ratio (Contributions minus benefits as a				
42	percentage of employer's taxable wages).				
43					
44	(F) (i) (Deleted by amendment, P.L.1997, c.263).				
45	(ii) With respect to experience rating years beginning on or after				
46	July 1, 1997, if the fund reserve ratio, based on the fund balance as of				

1 the prior March 31, is less than 1.00%, the contribution rate for each
2 employer liable to pay contributions, as computed under subparagraph
3 (E) of this paragraph (5), shall be increased by a factor of 10%
4 computed to the nearest multiple of 1/10% if not already a multiple
5 thereof.

6 (iii) With respect to experience rating years beginning on or after
7 July 1, 2004, if the fund reserve ratio, based on the fund balance as of
8 the prior March 31, is less than 0.50%, the contribution rate for each
9 employer liable to pay contributions, as computed under subparagraph
10 (E) of this paragraph (5), shall be increased by a factor of 10%
11 computed to the nearest multiple of 1/10% if not already a multiple
12 thereof.

13 (G) On or after January 1, 1993, notwithstanding any other
14 provisions of this paragraph (5), the contribution rate for each
15 employer liable to pay contributions, as computed under subparagraph
16 (E) of this paragraph (5), shall be decreased by 0.1%, except that,
17 during any experience rating year starting before January 1, 1998 in
18 which the fund reserve ratio is equal to or greater than 7.00% or
19 during any experience rating year starting on or after January 1, 1998,
20 in which the fund reserve ratio is equal to or greater than 3.5%, there
21 shall be no decrease pursuant to this subparagraph (G) in the
22 contribution of any employer who has a deficit reserve ratio of
23 negative 35.00% or under.

24 (H) On or after January 1, 1993 until December 31, 1993,
25 notwithstanding any other provisions of this paragraph (5), the
26 contribution rate for each employer liable to pay contributions, as
27 computed under subparagraph (E) of this paragraph (5), shall be
28 decreased by a factor of 52.0% computed to the nearest multiple of
29 1/10%, except that, if an employer has a deficit reserve ratio of
30 negative 35.0% or under, the employer's rate of contribution shall not
31 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
32 amount of the reduction in the employer contributions stipulated by
33 this subparagraph (H) shall be in addition to the amount of the
34 reduction in the employer contributions stipulated by subparagraph (G)
35 of this paragraph (5), except that the rate of contribution of an
36 employer who has a deficit reserve ratio of negative 35.0% or under
37 shall not be reduced pursuant to this subparagraph (H) to less than
38 5.4% and the rate of contribution of any other employer shall not be
39 reduced to less than 0.0%. On or after January 1, 1994 until
40 December 31, 1995, except as provided pursuant to subparagraph (I)
41 of this paragraph (5), notwithstanding any other provisions of this
42 paragraph (5), the contribution rate for each employer liable to pay
43 contributions, as computed under subparagraph (E) of this paragraph
44 (5), shall be decreased by a factor of 36.0% computed to the nearest
45 multiple of 1/10%, except that, if an employer has a deficit reserve
46 ratio of negative 35.0% or under, the employer's rate of contribution

1 shall not be reduced pursuant to this subparagraph (H) to less than
2 5.4%. The amount of the reduction in the employer contributions
3 stipulated by this subparagraph (H) shall be in addition to the amount
4 of the reduction in the employer contributions stipulated by
5 subparagraph (G) of this paragraph (5), except that the rate of
6 contribution of an employer who has a deficit reserve ratio of negative
7 35.0% or under shall not be reduced pursuant to this subparagraph (H)
8 to less than 5.4% and the rate of contribution of any other employer
9 shall not be reduced to less than 0.0%.

10 On or after April 1, 1996 until December 31, 1996, the contribution
11 rate for each employer liable to pay contributions, as computed under
12 subparagraph (E) of this paragraph (5), shall be decreased by a factor
13 of 25.0% computed to the nearest multiple of 1/10%, except that, if
14 an employer has a deficit reserve ratio of negative 35.0% or under, the
15 employer's rate of contribution shall not be reduced pursuant to this
16 subparagraph (H) to less than 5.4%. The amount of the reduction in
17 the employer contributions stipulated by this subparagraph (H) shall
18 be in addition to the amount of the reduction in the employer
19 contributions stipulated by subparagraph (G) of this paragraph (5),
20 except that the rate of contribution of an employer who has a deficit
21 reserve ratio of negative 35.0% or under shall not be reduced pursuant
22 to this subparagraph (H) to less than 5.4% and the rate of contribution
23 of any other employer shall not be reduced to less than 0.0%.

24 On or after January 1, 1997 until December 31, 1997, the
25 contribution rate for each employer liable to pay contributions, as
26 computed under subparagraph (E) of this paragraph (5), shall be
27 decreased by a factor of 10.0% computed to the nearest multiple of
28 1/10%, except that, if an employer has a deficit reserve ratio of
29 negative 35.0% or under, the employer's rate of contribution shall not
30 be reduced pursuant to this subparagraph (H) to less than 5.4%. The
31 amount of the reduction in the employer contributions stipulated by
32 this subparagraph (H) shall be in addition to the amount of the
33 reduction in the employer contributions stipulated by subparagraph (G)
34 of this paragraph (5), except that the rate of contribution of an
35 employer who has a deficit reserve ratio of negative 35.0% or under
36 shall not be reduced pursuant to this subparagraph (H) to less than
37 5.4% and the rate of contribution of any other employer shall not be
38 reduced to less than 0.0%.

39 On and after January 1, 1998 until December 31, 2000 and on or
40 after January 1, 2002 until June 30, 2006, the contribution rate for
41 each employer liable to pay contributions, as computed under
42 subparagraph (E) of this paragraph (5), shall be decreased by a factor,
43 as set out below, computed to the nearest multiple of 1/10%, except
44 that, if an employer has a deficit reserve ratio of negative 35.0% or
45 under, the employer's rate of contribution shall not be reduced
46 pursuant to this subparagraph (H) to less than 5.4%:

1 From January 1, 1998 until December 31, 1998, a factor of 12%;
2 From January 1, 1999 until December 31, 1999, a factor of 10%;
3 From January 1, 2000 until December 31, 2000, a factor of 7%;
4 From January 1, 2002 until March 31, 2002, a factor of 36%;
5 From April 1, 2002 until June 30, 2002, a factor of 85%;
6 From July 1, 2002 until June 30, 2003, a factor of 15%;
7 From July 1, 2003 until June 30, 2004, a factor of 15%;
8 From July 1, 2004 until June 30, 2005, a factor of 7%; [and]
9 From July 1, 2005 until [June 30, 2006] December 31, 2005, a
10 factor of 16%; and
11 From January 1, 2006 until June 30, 2006, a factor of ¹[28%]
12 34%¹ .

13 The amount of the reduction in the employer contributions
14 stipulated by this subparagraph (H) shall be in addition to the amount
15 of the reduction in the employer contributions stipulated by
16 subparagraph (G) of this paragraph (5), except that the rate of
17 contribution of an employer who has a deficit reserve ratio of negative
18 35.0% or under shall not be reduced pursuant to this subparagraph (H)
19 to less than 5.4% and the rate of contribution of any other employer
20 shall not be reduced to less than 0.0%.

21 (I) If the fund reserve ratio decreases to a level of less than 4.00%
22 on March 31 of calendar year 1994 or calendar year 1995, the
23 provisions of subparagraph (H) of this paragraph (5) shall cease to be
24 in effect as of July 1 of that calendar year.

25 If, upon calculating the unemployment compensation fund reserve
26 ratio pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 1997,
27 March 31, 1998 or March 31, 1999, the controller finds that the fund
28 reserve ratio has decreased to a level of less than 3.00%, the
29 Commissioner of Labor and Workforce Development shall notify the
30 State Treasurer of this fact and of the dollar amount necessary to bring
31 the fund reserve ratio up to a level of 3.00%. The State Treasurer
32 shall, prior to March 31, 1997, March 31, 1998 or March 31, 1999, as
33 applicable, transfer from the General Fund to the unemployment
34 compensation fund, revenues in the amount specified by the
35 commissioner and which, upon deposit in the unemployment
36 compensation fund, shall result, upon recalculation, in a fund reserve
37 ratio used to determine employer contributions beginning July 1, 1997,
38 July 1, 1998, July 1, 1999, as applicable, of at least 3.00%. If, upon
39 calculating the unemployment compensation fund reserve ratio
40 pursuant to R.S.43:21-7(c)(5)(D) prior to March 31, 2000, the
41 controller finds that the fund reserve ratio has decreased to a level of
42 less than 3.00%, the Commissioner of Labor and Workforce
43 Development shall notify the State Treasurer of this fact and of the
44 dollar amount necessary to bring the fund reserve ratio up to a level of
45 3.00%. The State Treasurer shall, prior to March 31, 2000, transfer
46 from the General Fund to the unemployment compensation fund,

1 revenues in the amount specified by the commissioner and which, upon
2 deposit in the unemployment compensation fund, shall result, upon
3 recalculation, in a fund reserve ratio used to determine employer
4 contributions beginning July 1, 2000 of at least 3.00%.

5 (J) On or after July 1, 2001, notwithstanding any other provisions
6 of this paragraph (5), the contribution rate for each employer liable to
7 pay contributions, as computed under subparagraph (E) of this
8 paragraph (5), shall be decreased by 0.0175%, except that, during any
9 experience rating year starting on or after July 1, 2001, in which the
10 fund reserve ratio is equal to or greater than 3.5%, there shall be no
11 decrease pursuant to this subparagraph (J) in the contribution of any
12 employer who has a deficit reserve ratio of negative 35.00% or under.
13 The amount of the reduction in the employer contributions stipulated
14 by this subparagraph (J) shall be in addition to the amount of the
15 reduction in the employer contributions stipulated by subparagraphs
16 (G) and (H) of this paragraph (5), except that the rate of contribution
17 of an employer who has a deficit reserve ratio of negative 35.0% or
18 under shall not be reduced pursuant to this subparagraph (J) to less
19 than 5.4% and the rate of contribution of any other employer shall not
20 be reduced to less than 0.0%.

21 (6) Additional contributions.

22 Notwithstanding any other provision of law, any employer who has
23 been assigned a contribution rate pursuant to subsection (c) of this
24 section for the year commencing July 1, 1948, and for any year
25 commencing July 1 thereafter, may voluntarily make payment of
26 additional contributions, and upon such payment shall receive a
27 recomputation of the experience rate applicable to such employer,
28 including in the calculation the additional contribution so made. Any
29 such additional contribution shall be made during the 30-day period
30 following the date of the mailing to the employer of the notice of his
31 contribution rate as prescribed in this section, unless, for good cause,
32 the time for payment has been extended by the controller for not to
33 exceed an additional 60 days; provided that in no event may such
34 payments which are made later than 120 days after the beginning of
35 the year for which such rates are effective be considered in
36 determining the experience rate for the year in which the payment is
37 made. Any employer receiving any extended period of time within
38 which to make such additional payment and failing to make such
39 payment timely shall be, in addition to the required amount of
40 additional payment, a penalty of 5% thereof or \$5.00, whichever is
41 greater, not to exceed \$50.00. Any adjustment under this subsection
42 shall be made only in the form of credits against accrued or future
43 contributions.

44 (7) Transfers.

45 (A) Upon the transfer of the organization, trade or business, or
46 substantially all the assets of an employer to a successor in interest,

1 whether by merger, consolidation, sale, transfer, descent or otherwise,
2 the controller shall transfer the employment experience of the
3 predecessor employer to the successor in interest, including credit for
4 past years, contributions paid, annual payrolls, benefit charges, et
5 cetera, applicable to such predecessor employer, pursuant to
6 regulation, if it is determined that the employment experience of the
7 predecessor employer with respect to the organization, trade, assets
8 or business which has been transferred may be considered indicative
9 of the future employment experience of the successor in interest.
10 Unless the predecessor employer was owned or controlled (by legally
11 enforceable means or otherwise), directly or indirectly, by the
12 successor in interest, or the predecessor employer and the successor
13 in interest were owned or controlled (by legally enforceable means or
14 otherwise), directly or indirectly, by the same interest or interests, the
15 transfer of the employment experience of the predecessor shall not be
16 effective if such successor in interest, within four months of the date
17 of such transfer of the organization, trade, assets or business, or
18 thereafter upon good cause shown, files a written notice protesting the
19 transfer of the employment experience of the predecessor employer.

20 (B) An employer who transfers part of his or its organization,
21 trade, assets or business to a successor in interest, whether by merger,
22 consolidation, sale, transfer, descent or otherwise, may jointly make
23 application with such successor in interest for transfer of that portion
24 of the employment experience of the predecessor employer relating to
25 the portion of the organization, trade, assets or business transferred to
26 the successor in interest, including credit for past years, contributions
27 paid, annual payrolls, benefit charges, et cetera, applicable to such
28 predecessor employer. The transfer of employment experience may be
29 allowed pursuant to regulation only if it is found that the employment
30 experience of the predecessor employer with respect to the portion of
31 the organization, trade, assets or business which has been transferred
32 may be considered indicative of the future employment experience of
33 the successor in interest. Credit shall be given to the successor in
34 interest only for the years during which contributions were paid by the
35 predecessor employer with respect to that part of the organization,
36 trade, assets or business transferred.

37 (C) A transfer of the employment experience in whole or in part
38 having become final, the predecessor employer thereafter shall not be
39 entitled to consideration for an adjusted rate based upon his or its
40 experience or the part thereof, as the case may be, which has thus been
41 transferred. A successor in interest to whom employment experience
42 or a part thereof is transferred pursuant to this subsection shall, as of
43 the date of the transfer of the organization, trade, assets or business,
44 or part thereof, immediately become an employer if not theretofore an
45 employer subject to this chapter (R.S.43:21-1 et seq.).

46 (d) Contributions of workers to the unemployment compensation

1 fund and the State disability benefits fund.

2 (1) (A) For periods after January 1, 1975, each worker shall
3 contribute to the fund 1% of his wages with respect to his employment
4 with an employer, which occurs on and after January 1, 1975, after
5 such employer has satisfied the condition set forth in subsection (h) of
6 R.S.43:21-19 with respect to becoming an employer; provided,
7 however, that such contributions shall be at the rate of 1/2 of 1% of
8 wages paid with respect to employment while the worker is in the
9 employ of the State of New Jersey, or any governmental entity or
10 instrumentality which is an employer as defined under
11 R.S.43:21-19(h)(5), or is covered by an approved private plan under
12 the "Temporary Disability Benefits Law" or while the worker is
13 exempt from the provisions of the "Temporary Disability Benefits
14 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31).

15 (B) Effective January 1, 1978 there shall be no contributions by
16 workers in the employ of any governmental or nongovernmental
17 employer electing or required to make payments in lieu of
18 contributions unless the employer is covered by the State plan under
19 the "Temporary Disability Benefits Law" (C.43:21-25 et seq.), and in
20 that case contributions shall be at the rate of 1/2 of 1%, except that
21 commencing July 1, 1986, workers in the employ of any
22 nongovernmental employer electing or required to make payments in
23 lieu of contributions shall be required to make contributions to the
24 fund at the same rate prescribed for workers of other nongovernmental
25 employers.

26 (C) (i) Notwithstanding the above provisions of this paragraph (1),
27 during the period starting July 1, 1986 and ending December 31, 1992,
28 each worker shall contribute to the fund 1.125% of wages paid with
29 respect to his employment with a governmental employer electing or
30 required to pay contributions or nongovernmental employer, including
31 a nonprofit organization which is an employer as defined under
32 R.S.43:21-19(h)(6), regardless of whether that nonprofit organization
33 elects or is required to finance its benefit costs with contributions to
34 the fund or by payments in lieu of contributions, after that employer
35 has satisfied the conditions set forth in subsection R.S.43:21-19(h)
36 with respect to becoming an employer. Contributions, however, shall
37 be at the rate of 0.625% while the worker is covered by an approved
38 private plan under the "Temporary Disability Benefits Law" while the
39 worker is exempt under section 7 of that law, P.L.1948, c.110
40 (C.43:21-31) or any other provision of that law; provided that such
41 contributions shall be at the rate of 0.625% of wages paid with respect
42 to employment with the State of New Jersey or any other
43 governmental entity or instrumentality electing or required to make
44 payments in lieu of contributions and which is covered by the State
45 plan under the "Temporary Disability Benefits Law," except that, while
46 the worker is exempt from the provisions of the "Temporary Disability

1 Benefits Law" under section 7 of that law, P.L.1948, c.110
2 (C.43:21-31) or any other provision of that law, or is covered for
3 disability benefits by an approved private plan of the employer, the
4 contributions to the fund shall be 0.125%.

5 (ii) (Deleted by amendment, P.L.1995, c.422.)

6 (D) Notwithstanding any other provisions of this paragraph (1),
7 during the period starting January 1, 1993 and ending June 30, 1994,
8 each worker shall contribute to the unemployment compensation fund
9 0.5% of wages paid with respect to the worker's employment with a
10 governmental employer electing or required to pay contributions or
11 nongovernmental employer, including a nonprofit organization which
12 is an employer as defined under paragraph (6) of subsection (h) of
13 R.S.43:21-19, regardless of whether that nonprofit organization elects
14 or is required to finance its benefit costs with contributions to the fund
15 or by payments in lieu of contributions, after that employer has
16 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
17 with respect to becoming an employer. No contributions, however,
18 shall be made by the worker while the worker is covered by an
19 approved private plan under the "Temporary Disability Benefits Law,"
20 P.L.1948, c.110 (C.43:21-25 et seq.) or while the worker is exempt
21 under section 7 of P.L.1948, c.110 (C.43:21-31) or any other
22 provision of that law; provided that the contributions shall be at the
23 rate of 0.50% of wages paid with respect to employment with the
24 State of New Jersey or any other governmental entity or
25 instrumentality electing or required to make payments in lieu of
26 contributions and which is covered by the State plan under the
27 "Temporary Disability Benefits Law," except that, while the worker is
28 exempt from the provisions of the "Temporary Disability Benefits
29 Law" under section 7 of that law, P.L.1948, c.110 (C.43:21-31) or any
30 other provision of that law, or is covered for disability benefits by an
31 approved private plan of the employer, no contributions shall be made
32 to the fund.

33 Each worker shall, starting on January 1, 1996 and ending March
34 31, 1996, contribute to the unemployment compensation fund 0.60%
35 of wages paid with respect to the worker's employment with a
36 governmental employer electing or required to pay contributions or
37 nongovernmental employer, including a nonprofit organization which
38 is an employer as defined under paragraph (6) of subsection (h) of
39 R.S.43:21-19, regardless of whether that nonprofit organization elects
40 or is required to finance its benefit costs with contributions to the fund
41 or by payments in lieu of contributions, after that employer has
42 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
43 with respect to becoming an employer, provided that the contributions
44 shall be at the rate of 0.10% of wages paid with respect to
45 employment with the State of New Jersey or any other governmental
46 entity or instrumentality electing or required to make payments in lieu

1 of contributions.

2 Each worker shall, starting on January 1, 1998 and ending
3 December 31, 1998, contribute to the unemployment compensation
4 fund 0.10% of wages paid with respect to the worker's employment
5 with a governmental employer electing or required to pay
6 contributions or nongovernmental employer, including a nonprofit
7 organization which is an employer as defined under paragraph (6) of
8 subsection (h) of R.S.43:21-19, regardless of whether that nonprofit
9 organization elects or is required to finance its benefit costs with
10 contributions to the fund or by payments in lieu of contributions, after
11 that employer has satisfied the conditions set forth in subsection (h) of
12 R.S.43:21-19 with respect to becoming an employer, provided that the
13 contributions shall be at the rate of 0.10% of wages paid with respect
14 to employment with the State of New Jersey or any other
15 governmental entity or instrumentality electing or required to make
16 payments in lieu of contributions.

17 Each worker shall, starting on January 1, 1999 until December 31,
18 1999, contribute to the unemployment compensation fund 0.15% of
19 wages paid with respect to the worker's employment with a
20 governmental employer electing or required to pay contributions or
21 nongovernmental employer, including a nonprofit organization which
22 is an employer as defined under paragraph (6) of subsection (h) of
23 R.S.43:21-19, regardless of whether that nonprofit organization elects
24 or is required to finance its benefit costs with contributions to the fund
25 or by payments in lieu of contributions, after that employer has
26 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
27 with respect to becoming an employer, provided that the contributions
28 shall be at the rate of 0.10% of wages paid with respect to
29 employment with the State of New Jersey or any other governmental
30 entity or instrumentality electing or required to make payments in lieu
31 of contributions.

32 Each worker shall, starting on January 1, 2000 until December 31,
33 2001, contribute to the unemployment compensation fund 0.20% of
34 wages paid with respect to the worker's employment with a
35 governmental employer electing or required to pay contributions or
36 nongovernmental employer, including a nonprofit organization which
37 is an employer as defined under paragraph (6) of subsection (h) of
38 R.S.43:21-19, regardless of whether that nonprofit organization elects
39 or is required to finance its benefit costs with contributions to the fund
40 or by payments in lieu of contributions, after that employer has
41 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
42 with respect to becoming an employer, provided that the contributions
43 shall be at the rate of 0.10% of wages paid with respect to
44 employment with the State of New Jersey or any other governmental
45 entity or instrumentality electing or required to make payments in lieu
46 of contributions.

1 Each worker shall, starting on January 1, 2002 until June 30, 2004,
2 contribute to the unemployment compensation fund 0.1825% of wages
3 paid with respect to the worker's employment with a governmental
4 employer electing or required to pay contributions or a
5 nongovernmental employer, including a nonprofit organization which
6 is an employer as defined under paragraph (6) of subsection (h) of
7 R.S.43:21-19, regardless of whether that nonprofit organization elects
8 or is required to finance its benefit costs with contributions to the fund
9 or by payments in lieu of contributions, after that employer has
10 satisfied the conditions set forth in subsection (h) of R.S.43:21-19
11 with respect to becoming an employer, provided that the contributions
12 shall be at the rate of 0.0825% of wages paid with respect to
13 employment with the State of New Jersey or any other governmental
14 entity or instrumentality electing or required to make payments in lieu
15 of contributions.

16 Each worker shall, starting on and after July 1, 2004, contribute to
17 the unemployment compensation fund 0.3825% of wages paid with
18 respect to the worker's employment with a governmental employer
19 electing or required to pay contributions or nongovernmental
20 employer, including a nonprofit organization which is an employer as
21 defined under paragraph (6) of subsection (h) of R.S.43:21-19,
22 regardless of whether that nonprofit organization elects or is required
23 to finance its benefit costs with contributions to the fund or by
24 payments in lieu of contributions, after that employer has satisfied the
25 conditions set forth in subsection (h) of R.S.43:21-19 with respect to
26 becoming an employer, provided that the contributions shall be at the
27 rate of 0.0825% of wages paid with respect to employment with the
28 State of New Jersey or any other governmental entity or
29 instrumentality electing or required to make payments in lieu of
30 contributions.

31 (E) Each employer shall, notwithstanding any provision of law in
32 this State to the contrary, withhold in trust the amount of his workers'
33 contributions from their wages at the time such wages are paid, shall
34 show such deduction on his payroll records, shall furnish such
35 evidence thereof to his workers as the division or controller may
36 prescribe, and shall transmit all such contributions, in addition to his
37 own contributions, to the office of the controller in such manner and
38 at such times as may be prescribed. If any employer fails to deduct the
39 contributions of any of his workers at the time their wages are paid, or
40 fails to make a deduction therefor at the time wages are paid for the
41 next succeeding payroll period, he alone shall thereafter be liable for
42 such contributions, and for the purpose of R.S.43:21-14, such
43 contributions shall be treated as employer's contributions required
44 from him.

45 (F) As used in this chapter (R.S.43:21-1 et seq.), except when the
46 context clearly requires otherwise, the term "contributions" shall

1 include the contributions of workers pursuant to this section.

2 (G) Each worker shall, starting on July 1, 1994, contribute to the
3 State disability benefits fund an amount equal to 0.50% of wages paid
4 with respect to the worker's employment with a government employer
5 electing or required to pay contributions to the State disability benefits
6 fund or nongovernmental employer, including a nonprofit organization
7 which is an employer as defined under paragraph (6) of subsection (h)
8 of R.S.43:21-19, unless the employer is covered by an approved
9 private disability plan or is exempt from the provisions of the
10 "Temporary Disability Benefits Law," P.L.1948, c.110 (C.43:21-25 et
11 seq.) under section 7 of that law (C.43:21-31) or any other provision
12 of that law.

13 (2) (A) (Deleted by amendment, P.L.1984, c.24.)

14 (B) (Deleted by amendment, P.L.1984, c.24.)

15 (C) (Deleted by amendment, P.L.1994, c.112.)

16 (D) (Deleted by amendment, P.L.1994, c.112.)

17 (E) (i) (Deleted by amendment, P.L.1994, c.112.)

18 (ii) (Deleted by amendment, P.L.1996, c.28.)

19 (iii) (Deleted by amendment, P.L.1994, c.112.)

20 (3) If an employee receives wages from more than one employer
21 during any calendar year, and either the sum of his contributions
22 deposited in and credited to the State disability benefits fund plus the
23 amount of his contributions, if any, required towards the costs of
24 benefits under one or more approved private plans under the
25 provisions of section 9 of the "Temporary Disability Benefits Law"
26 (C.43:21-33) and deducted from his wages, or the sum of such latter
27 contributions, if the employee is covered during such calendar year
28 only by two or more private plans, exceeds an amount equal to 1/2 of
29 1% of the "wages" determined in accordance with the provisions of
30 R.S.43:21-7(b)(3) during the calendar years beginning on or after
31 January 1, 1976, the employee shall be entitled to a refund of the
32 excess if he makes a claim to the controller within two years after the
33 end of the calendar year in which the wages are received with respect
34 to which the refund is claimed and establishes his right to such refund.
35 Such refund shall be made by the controller from the State disability
36 benefits fund. No interest shall be allowed or paid with respect to any
37 such refund. The controller shall, in accordance with prescribed
38 regulations, determine the portion of the aggregate amount of such
39 refunds made during any calendar year which is applicable to private
40 plans for which deductions were made under section 9 of the
41 "Temporary Disability Benefits Law" (C.43:21-33) such determination
42 to be based upon the ratio of the amount of such wages exempt from
43 contributions to such fund, as provided in subparagraph (B) of
44 paragraph (1) of this subsection with respect to coverage under private
45 plans, to the total wages so exempt plus the amount of such wages
46 subject to contributions to the disability benefits fund, as provided in

1 subparagraph (G) of paragraph (1) of this subsection. The controller
2 shall, in accordance with prescribed regulations, prorate the amount
3 so determined among the applicable private plans in the proportion
4 that the wages covered by each plan bear to the total private plan
5 wages involved in such refunds, and shall assess against and recover
6 from the employer, or the insurer if the insurer has indemnified the
7 employer with respect thereto, the amount so prorated. The
8 provisions of R.S.43:21-14 with respect to collection of employer
9 contributions shall apply to such assessments. The amount so
10 recovered by the controller shall be paid into the State disability
11 benefits fund.

12 (4) If an individual does not receive any wages from the employing
13 unit which for the purposes of this chapter (R.S.43:21-1 et seq.) is
14 treated as his employer, or receives his wages from some other
15 employing unit, such employer shall nevertheless be liable for such
16 individual's contributions in the first instance; and after payment
17 thereof such employer may deduct the amount of such contributions
18 from any sums payable by him to such employing unit, or may recover
19 the amount of such contributions from such employing unit, or, in the
20 absence of such an employing unit, from such individual, in a civil
21 action; provided proceedings therefor are instituted within three
22 months after the date on which such contributions are payable. General
23 rules shall be prescribed whereby such an employing unit may recover
24 the amount of such contributions from such individuals in the same
25 manner as if it were the employer.

26 (5) Every employer who has elected to become an employer
27 subject to this chapter (R.S.43:21-1 et seq.), or to cease to be an
28 employer subject to this chapter (R.S.43:21-1 et seq.), pursuant to the
29 provisions of R.S.43:21-8, shall post and maintain printed notices of
30 such election on his premises, of such design, in such numbers, and at
31 such places as the director may determine to be necessary to give
32 notice thereof to persons in his service.

33 (6) Contributions by workers, payable to the controller as herein
34 provided, shall be exempt from garnishment, attachment, execution, or
35 any other remedy for the collection of debts.

36 (e) Contributions by employers to State disability benefits fund.

37 (1) Except as hereinafter provided, each employer shall, in addition
38 to the contributions required by subsections (a), (b), and (c) of this
39 section, contribute 1/2 of 1% of the wages paid by such employer to
40 workers with respect to employment unless he is not a covered
41 employer as defined in section 3 of the "Temporary Disability Benefits
42 Law" (C.43:21-27 (a)), except that the rate for the State of New
43 Jersey shall be 1/10 of 1% for the calendar year 1980 and for the first
44 six months of 1981. Prior to July 1, 1981 and prior to July 1 each year
45 thereafter, the controller shall review the experience accumulated in
46 the account of the State of New Jersey and establish a rate for the next

1 following fiscal year which, in combination with worker contributions,
2 will produce sufficient revenue to keep the account in balance; except
3 that the rate so established shall not be less than 1/10 of 1%. Such
4 contributions shall become due and be paid by the employer to the
5 controller for the State disability benefits fund as established by law,
6 in accordance with such regulations as may be prescribed, and shall
7 not be deducted, in whole or in part, from the remuneration of
8 individuals in his employ. In the payment of any contributions, a
9 fractional part of a cent shall be disregarded unless it amounts to
10 \$0.005 or more, in which case it shall be increased to \$0.01.

11 (2) During the continuance of coverage of a worker by an
12 approved private plan of disability benefits under the "Temporary
13 Disability Benefits Law," the employer shall be exempt from the
14 contributions required by subparagraph (1) above with respect to
15 wages paid to such worker.

16 (3) (A) The rates of contribution as specified in subparagraph (1)
17 above shall be subject to modification as provided herein with respect
18 to employer contributions due on and after July 1, 1951.

19 (B) A separate disability benefits account shall be maintained for
20 each employer required to contribute to the State disability benefits
21 fund and such account shall be credited with contributions deposited
22 in and credited to such fund with respect to employment occurring on
23 and after January 1, 1949. Each employer's account shall be credited
24 with all contributions paid on or before January 31 of any calendar
25 year on his own behalf and on behalf of individuals in his service with
26 respect to employment occurring in preceding calendar years;
27 provided, however, that if January 31 of any calendar year falls on a
28 Saturday or Sunday an employer's account shall be credited as of
29 January 31 of such calendar year with all the contributions which he
30 has paid on or before the next succeeding day which is not a Saturday
31 or Sunday. But nothing in this act shall be construed to grant any
32 employer or individuals in his service prior claims or rights to the
33 amounts paid by him to the fund either on his own behalf or on behalf
34 of such individuals. Benefits paid to any covered individual in
35 accordance with Article III of the "Temporary Disability Benefits
36 Law" on or before December 31 of any calendar year with respect to
37 disability in such calendar year and in preceding calendar years shall be
38 charged against the account of the employer by whom such individual
39 was employed at the commencement of such disability or by whom he
40 was last employed, if out of employment.

41 (C) The controller may prescribe regulations for the establishment,
42 maintenance, and dissolution of joint accounts by two or more
43 employers, and shall, in accordance with such regulations and upon
44 application by two or more employers to establish such an account, or
45 to merge their several individual accounts in a joint account, maintain
46 such joint account as if it constituted a single employer's account.

1 (D) Prior to July 1 of each calendar year, the controller shall make
2 a preliminary determination of the rate of contribution for the 12
3 months commencing on such July 1 for each employer subject to the
4 contribution requirements of this subsection (e).

5 (1) Such preliminary rate shall be $\frac{1}{2}$ of 1% unless on the
6 preceding January 31 of such year such employer shall have been a
7 covered employer who has paid contributions to the State disability
8 benefits fund with respect to employment in the three calendar years
9 immediately preceding such year.

10 (2) If the minimum requirements in (1) above have been fulfilled
11 and the credited contributions exceed the benefits charged by more
12 than \$500.00, such preliminary rate shall be as follows:

13 (i) $\frac{2}{10}$ of 1% if such excess over \$500.00 exceeds 1% but is less
14 than $1\frac{1}{4}\%$ of his average annual payroll (as defined in this chapter
15 (R.S.43:21-1 et seq.);

16 (ii) $\frac{15}{100}$ of 1% if such excess over \$500.00 equals or exceeds 1
17 $\frac{1}{4}\%$ but is less than $1\frac{1}{2}\%$ of his average annual payroll;

18 (iii) $\frac{1}{10}$ of 1% if such excess over \$500.00 equals or exceeds 1
19 $\frac{1}{2}\%$ of his average annual payroll.

20 (3) If the minimum requirements in (1) above have been fulfilled
21 and the contributions credited exceed the benefits charged but by not
22 more than \$500.00 plus 1% of his average annual payroll, or if the
23 benefits charged exceed the contributions credited but by not more
24 than \$500.00, the preliminary rate shall be $\frac{1}{4}$ of 1%.

25 (4) If the minimum requirements in (1) above have been fulfilled
26 and the benefits charged exceed the contributions credited by more
27 than \$500.00, such preliminary rate shall be as follows:

28 (i) $\frac{35}{100}$ of 1% if such excess over \$500.00 is less than $\frac{1}{4}$ of
29 1% of his average annual payroll;

30 (ii) $\frac{45}{100}$ of 1% if such excess over \$500.00 equals or exceeds
31 $\frac{1}{4}$ of 1% but is less than $\frac{1}{2}$ of 1% of his average annual payroll;

32 (iii) $\frac{55}{100}$ of 1% if such excess over \$500.00 equals or exceeds
33 $\frac{1}{2}$ of 1% but is less than $\frac{3}{4}$ of 1% of his average annual payroll;

34 (iv) $\frac{65}{100}$ of 1% if such excess over \$500.00 equals or exceeds
35 $\frac{3}{4}$ of 1% but is less than 1% of his average annual payroll;

36 (v) $\frac{75}{100}$ of 1% if such excess over \$500.00 equals or exceeds
37 1% of his average annual payroll.

38 (5) Determination of the preliminary rate as specified in (2), (3)
39 and (4) above shall be subject, however, to the condition that it shall
40 in no event be decreased by more than $\frac{1}{10}$ of 1% of wages or
41 increased by more than $\frac{2}{10}$ of 1% of wages from the preliminary rate
42 determined for the preceding year in accordance with (1), (2), (3) or
43 (4), whichever shall have been applicable.

44 (E) (1) Prior to July 1 of each calendar year the controller shall
45 determine the amount of the State disability benefits fund as of
46 December 31 of the preceding calendar year, increased by the

1 contributions paid thereto during January of the current calendar year
2 with respect to employment occurring in the preceding calendar year.
3 If such amount exceeds the net amount withdrawn from the
4 unemployment trust fund pursuant to section 23 of the "Temporary
5 Disability Benefits Law," P.L.1948, c.110 (C.43:21-47) plus the
6 amount at the end of such preceding calendar year of the
7 unemployment disability account (as defined in section 22 of said law
8 (C.43:21-46), such excess shall be expressed as a percentage of the
9 wages on which contributions were paid to the State disability benefits
10 fund on or before January 31 with respect to employment in the
11 preceding calendar year.

12 (2) The controller shall then make a final determination of the rates
13 of contribution for the 12 months commencing July 1 of such year for
14 employers whose preliminary rates are determined as provided in (D)
15 hereof, as follows:

16 (i) If the percentage determined in accordance with paragraph
17 (E)(1) of this subsection equals or exceeds $1\frac{1}{4}\%$, the final employer
18 rates shall be the preliminary rates determined as provided in (D)
19 hereof, except that if the employer's preliminary rate is determined as
20 provided in (D)(2) or (D)(3) hereof, the final employer rate shall be
21 the preliminary employer rate decreased by such percentage of excess
22 taken to the nearest $\frac{5}{100}$ of 1%, but in no case shall such final rate
23 be less than $\frac{1}{10}$ of 1%.

24 (ii) If the percentage determined in accordance with paragraph
25 (E)(1) of this subsection equals or exceeds $\frac{3}{4}$ of 1% and is less than
26 $1\frac{1}{4}$ of 1%, the final employer rates shall be the preliminary employer
27 rates.

28 (iii) If the percentage determined in accordance with paragraph
29 (E)(1) of this subsection is less than $\frac{3}{4}$ of 1%, but in excess of $\frac{1}{4}$ of
30 1%, the final employer rates shall be the preliminary employer rates
31 determined as provided in (D) hereof increased by the difference
32 between $\frac{3}{4}$ of 1% and such percentage taken to the nearest $\frac{5}{100}$ of
33 1%; provided, however, that no such final rate shall be more than $\frac{1}{4}$
34 of 1% in the case of an employer whose preliminary rate is determined
35 as provided in (D)(2) hereof, more than $\frac{1}{2}$ of 1% in the case of an
36 employer whose preliminary rate is determined as provided in (D)(1)
37 and (D)(3) hereof, nor more than $\frac{3}{4}$ of 1% in the case of an employer
38 whose preliminary rate is determined as provided in (D)(4) hereof.

39 (iv) If the amount of the State disability benefits fund determined
40 as provided in paragraph (E)(1) of this subsection is equal to or less
41 than $\frac{1}{4}$ of 1%, then the final rate shall be $\frac{2}{5}$ of 1% in the case of an
42 employer whose preliminary rate is determined as provided in (D)(2)
43 hereof, $\frac{7}{10}$ of 1% in the case of an employer whose preliminary rate
44 is determined as provided in (D)(1) and (D)(3) hereof, and 1.1% in the
45 case of an employer whose preliminary rate is determined as provided
46 in (D)(4) hereof. Notwithstanding any other provision of law or any

determination made by the controller with respect to any 12-month period commencing on July 1, 1970, the final rates for all employers for the period beginning January 1, 1971, shall be as set forth herein. (cf: P.L.2005, c.123, s.1)

2. Section 5 of P.L.1970, c.324 (C.43:21-24.11) is amended to read as follows:

5. For the purposes of the extended benefit program and as used in this act, unless the context clearly requires otherwise:

a. "Extended benefit period" means a period which

(1) Begins with the third week after a week for which there is a state "on" indicator; and

(2) Ends with either of the following weeks, whichever occurs later:

(a) The third week after the first week for which there is a state "off" indicator; or

(b) The thirteenth consecutive week of such period; provided, that no extended benefit period may begin by reason of a state "on" indicator before the fourteenth week after the close of a prior extended benefit period which was in effect with respect to this State; and provided further, that no extended benefit period may become effective in this State prior to the effective date of this act.

b. (Deleted by amendment.)

c. (Deleted by amendment.)

d. There is a "state 'on' indicator" for this State for a week if:

(1) The division determines, in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of the respective week and the immediately preceding 12 weeks, the rate of insured unemployment (not seasonally adjusted) under the "unemployment compensation law" (R.S.43:21-1 et seq.):

(a) Equaled or exceeded 120% of the average of these rates for the corresponding 13-week period during each of the preceding 2 calendar years, and, for weeks beginning after September 25, 1982, equaled or exceeded 5%; or

(b) With respect to benefits for weeks of unemployment beginning after September 25, 1982, equaled or exceeded 6%; or

(2) With respect to any week of unemployment beginning after December 27, 2003, the average seasonally adjusted rate of total unemployment in the State, as determined by the United States Secretary of Labor for the most recent three-month period for which data for all states are published:

(a) Equals or exceeds 6.5%; and

(b) Equals or exceeds 110% of the average seasonally adjusted rate of total unemployment in the State during either or both of the corresponding three-month periods ending in the two preceding calendar years.

1 e. There is a "state 'off' indicator" for this State for a week if
2 ~~the~~:

3 (1) The division determines, in accordance with the regulations of
4 the United States Secretary of Labor, that for the period consisting of
5 the respective week and the immediately preceding 12 weeks,
6 ~~neither~~ paragraph (1) ~~or (2)~~ of subsection d. was not satisfied;
7 and

8 (2) With respect to any week of unemployment beginning after
9 December 27, 2003, as determined by the United States Secretary of
10 Labor for the most recent three-month period for which data for all
11 states are published, paragraph (2) of subsection d. was not satisfied.

12 f. "Rate of insured unemployment," for purposes of subsections
13 d. and e. means the percentage derived by dividing

14 (1) The average weekly number of individuals filing claims for
15 regular benefits in this State for weeks of unemployment with respect
16 to the most recent 13-consecutive-week period, as determined by the
17 division on the basis of its reports to the United States Secretary of
18 Labor, by

19 (2) The average monthly covered employment for the specified
20 period.

21 g. "Regular benefits" means benefits payable to an individual
22 under the "unemployment compensation law" (R.S.43:21-1 et seq.) or
23 under any other State law (including benefits payable to federal civilian
24 employees and to ex-servicemen pursuant to 5 U.S.C. s.8501 et seq.)
25 other than extended benefits.

26 h. "Extended benefits" means benefits (including benefits payable
27 to federal civilian employees and to ex-servicemen pursuant to 5
28 U.S.C. s.8501 et seq.) payable to an individual under the provisions of
29 this act for weeks of unemployment in his eligibility period.

30 i. "Eligibility period" of an individual means the period consisting
31 of the weeks in his benefit year which begin in an extended benefit
32 period and, if his benefit year ends within the extended benefit period,
33 any weeks thereafter which begin in the period.

34 j. "Exhaustee" means an individual who, with respect to any week
35 of unemployment in his eligibility period:

36 (1) Has received prior to the week, all of the regular benefits that
37 were available to him under the "unemployment compensation law"
38 (R.S. 43:21-1 et seq.) or any other State law (including dependents'
39 allowances and benefits payable to federal civilian employees and
40 ex-servicemen under 5 U.S.C. s.8501 et seq.) in his current benefit
41 year that includes such week, provided, that for the purposes of this
42 paragraph, an individual shall be deemed to have received all of the
43 regular benefits that were available to him although as a result of a
44 pending appeal with respect to wages and/or employment that were
45 not considered in the original monetary determination in his benefit
46 year, he may subsequently be determined to be entitled to added

1 regular benefits; or

2 (2) His benefit year having expired prior to such week, has no, or
3 insufficient, wages and/or employment on the basis of which he could
4 establish a new benefit year that would include such week; and

5 (3) (a) has no right to unemployment benefits or allowances, as the
6 case may be, under the Railroad Unemployment Insurance Act, the
7 Trade Expansion Act of 1962, the Automotive Products Trade Act of
8 1965 and such other federal laws as are specified in regulations issued
9 by the United States Secretary of Labor; and

10 (b) has not received and is not seeking unemployment benefits
11 under the Unemployment Compensation Law of Canada; but if he is
12 seeking these benefits and the appropriate agency finally determines
13 that he is not entitled to benefits under that law he is considered an
14 exhaustee if the other provisions of this definition are met.

15 k. "State law" means the unemployment insurance law of any state
16 approved by the United States Secretary of Labor under section 3304
17 of the Internal Revenue Code of 1986, 26 U.S.C. s.3304.

18 l. "High unemployment period" means any period beginning after
19 December 27, 2003 during which the average seasonally adjusted rate
20 of total unemployment in the State, as determined by the United States
21 Secretary of Labor for the most recent three-month period for which
22 data for all states are published:

23 (1) Equals or exceeds 8%; and

24 (2) Equals or exceeds 110% of the average seasonally adjusted rate
25 of total unemployment in the State during either or both of the
26 corresponding three-month periods ending in the two preceding
27 calendar years.

28 (cf: P.L.2005, c.123, s.3)

29

30 3. This act shall take effect immediately.

31

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35 Concerns redirection of unemployment taxes and extension of
36 unemployment benefits.